RECIPROCITY AND THE FARMER[1]

The pending reciprocity agreement proposes to make reciprocally free of duty a large number of articles which interest farmers. These include most farm products, aside from wool and sugar; also fish, fresh, cured, or canned; rough lumber and posts; barbed wire; and cream separators. In addition, duties are to be reciprocally reduced on meats, flour, and other manufactured foods; fruit trees, wagons, agricultural implements, motor cars, and coal. In general, the agreement covers chiefly food stuffs, raw materials, and crude manufactures rather than highly finished manufactures. The question therefore arises: how would the agreement affect the interests of the American farmer, and, in particular, would it constitute discrimination against him? An answer to this question involves a consideration of the purpose and scope of protection, the actual working of agricultural duties in the United States, and the present economic conditions of Canada and the United States, as revealed by trade facts and statistics.

In the first place, it may be well to recall that the theory of protection, as advanced by Hamilton and List, had no reference whatsoever to agricultural products. They urged the doctrine of protection to infant industries with sole reference to manufactures. This doctrine assumes that the industry to be protected is one suited to the country by nature but impeded in its development by artificial obstacles, such as lack of machinery, business experience, and skilled labor. From this assumption it follows that protection is a transitional policy intended to develop the industry in question to the point where no protection will be needed. It cannot, therefore, according to this theory, be properly applied to an industry impeded, not by artificial and removable but by natural and permanent obstacles. For example, it would clearly be an abuse of the doctrine of protection to infant industries if a tax were imposed with the purpose of

[1] A paper read before the Western Economic Society, June 3, 1911.

forcing the production of bananas in Minnesota: and this notwithstanding the fact that bananas could certainly be grown in Minnesota, under glass, if the consumer were willing and able to pay the price. In like manner, all protection to agriculture is an abuse of the theory of protection to infant industries, differing only in degree from the case of bananas in Minnesota. Agriculture depends intimately upon soil and climate—that is to say upon natural and permanent conditions which cannot be changed by Act of Congress—consequently protection can rarely if ever develop an agricultural industry, which could not prosper without protection, to the point where protection can be withdrawn without disaster. It follows that the argument for agricultural protection is forced to abandon the infant-industry plea and merely appeal (like the modern form of the argument for protection to manufactures) to an alleged difference in the cost of production at home and abroad. In this form it becomes an argument, not for a temporary but for a permanent policy which means, in brief, that the protected industry shall be made permanently a parasitic industry, to be maintained at the expense of all other industries; and, moreover, that the less suited it is to the country, the more the people shall be taxed for its support.

In the second place, if agricultural protection is inconsistent with the theory of protection to infant industries, protection to both manufactures and agriculture at the same time is inconsistent with any and every rational theory of protection. The situation thus created is really most amusing and absurd. Manufactures are to be raised in price by a protective tariff, which being interpreted means that manufactures are to be fostered at the expense of other industries, including agriculture; and agricultural products are likewise to be raised in price by a protective tariff, which signifies that agriculture is to be fostered at the expense of other industries, including manufactures. If only the actual degree of both kinds of protection is the same, such a system of all-around protection amounts to an attempt of a man to lift himself by his own boot-straps. Equal force being exerted in both directions, nothing is accomplished. The protected industries remain just where they were relatively to

one another: though it is true, of course, that all persons not directly interested in factory dividends or farm profits are saddled with a double burden in the form of higher prices for both manufactures and agricultural products. In this respect, all-around protection bears more than a fanciful resemblance to the traditional street brawl in which the innocent by-stander invariably gets the worst of it.

Thirdly, this ideal of all-around protection "so applied as to equalize the costs of production at home and abroad" would lead logically to results which no one as yet has had the hardihood openly to advocate. All commerce is based upon differences in the costs of production, consequently to equalize all costs of production would be absolutely to prohibit all foreign commerce whatsoever. Each country would then have to produce at home, regardless of cost (or go without), every commodity; thus depriving itself of the benefits of the natural resources, climate and skill of all other parts of the world. This plan would, in effect, revive the Japanese policy of non-intercourse which was broken down by Commodore Perry.

If the foregoing considerations are valid, it follows that from the general public viewpoint there are serious objections to a policy of all-around protection, especially if applied "so as to equalize the costs of production." In point of fact, however, while the idea of all-around protection is thus a logical absurdity, being a contradiction in terms, it rarely if ever happens that different industries receive exactly the same degree of actual protection. As a rule, the protective system consequently does cause a forced development of certain industries at the expense of all others. This condition is strikingly exemplified in the United States, where the exigencies of practical politics have led to all-around protection in form, while no country is farther from such a system in fact. Manufactures have unmistakably been developed in the United States at the expense of other industries, especially agriculture and commerce. The farmer can therefore scarcely be blamed, if, having in mind his own class interest, he looks at the pending agree-

ment askance, fearing lest it shift the balance still more to his disadvantage.

The fears of the farmer are, however, groundless, for the simple reason that protection does not protect, so far as he is concerned. If both manufactures and farm products are largely imported into any country an all-around protective tariff does actually affect the prices of both classes of products. This is the situation in Germany. On the other hand, if farm products are largely exported protection does not and cannot protect the farmer. This is the situation in the United States. The farmer in this country is burdened with higher prices for most articles which he buys for his family or uses on his farm owing to a high protective tariff on manufactures: but when he comes to sell his export crops he must accept the prices fixed by free competition in the world's markets. In a word, the American farmer buys on a protection basis, but he necessarily sells on a free-trade basis, despite the protection which he is supposed to enjoy. The surplus exported cannot be sent out under the shield of any protective system. On the contrary, the price which it commands is fixed automatically on the exchanges of Liverpool or Hamburg or Antwerp by the balancing of the demand arising from all importing countries against the supply furnished by all exporting countries; and the world price thus fixed becomes the basis of the domestic price in all exporting countries. From the operation of this law there is no escape. It is indeed possible for a monopoly, under shelter of a protective tariff, to sell goods abroad cheaper than at home; this is a familiar practice of industrial monopolies. There is, however, no Farmers' Trust; and so long as monopoly is lacking in the production of farm products, the price of the whole supply will vary on the whole and in the long run with the price of the surplus or portion exported, exactly as the water in several interconnected tanks will find a common level. It is therefore impossible to raise the price of export crops by import taxes; and it is of course equally impossible to lower the price of export crops by removing the tariff, whether this be done by a reciprocity agreement or other-

wise. Even though considerable Canadian wheat should enter the United States, it would affect the world price no more and no less than if exported directly to Liverpool; for there would be no more wheat in the world, nor any less demand for it, by reason of such movement, and the world price depends solely on the relation of demand and supply. However it may be with others, no man who actually tills the soil can be hurt by the loss of such a futile and fictitious protection.

In opposition to these general considerations, however, it is urged that regardless of the world price several farm products, notably wheat, barley, and flaxseed, do actually command higher prices at Minneapolis than at Winnipeg; and it is assumed that the farmer would consequently receive lower prices under reciprocity. To deal with this connection, which concerns local rather than world prices, it is necessary to examine briefly the statistics of Canadian-American production and trade.

In the first place, in order to obtain a true perspective, it is well to find out how much of the soil in the United States is planted to wheat, barley, and flaxseed, and how many of the farmers are concerned with these crops. The following figures are therefore taken from the Twelfth Census, the corresponding figures for 1910 not being as yet available.

	Millions of Acres	Percentage of Acreage	Value of Products—Millions of Dollars	Percentage of Value
In wheat	52.5	6.3	369.9	7.8
In barley	4.4	0.5	41.6	0.9
In flaxseed	2.1	0.2	19.6	0.4
Total in wheat, barley, flaxseed	59.0	7.0	431.1	9.1
Corn	94.9	11.3	828.2	17.6
Other cereals	33.2	4.0	246.4	5.2
Hay and forage	61.7	7.1	484.2	10.2
Total grain and hay	248.8	29.4	1,989.9	42.1
Other crops, pasture, etc.	589.7	70.6	2,727.1	57.9
Total in farms	838.5	100.0	4,717.0	100.0

FARMS ACCORDING TO PRINCIPAL SOURCES OF INCOME

	Number of Farms	Percentage of Total
Grain and hay	1,319,854	23.0
Vegetables	155,788	2.7
Fruits	82,060	1.4
Live stock	1,564,515	27.3
Dairy produce	357,544	6.2
Tobacco	106,250	1.9
Cotton	1,071,545	18.7
Rice	5,217	0.1
Sugar	7,174	0.1
Flowers and plants	6,159	0.1
Nursery products	2,029	...
Miscellaneous	1,059,237	18.5
Totals	5,737,372	100.0

From these tables it appears that in the United States as a whole, in 1900, only 7 per cent of the land included in farms was under wheat, barley, and flax, taken together; and that their combined value was only 9 per cent of the total value of farm products. These proportions are no doubt still smaller today, as several of these crops have lost ground relatively during the last decade. Moreover, it further appears that out of the 5,737,372 farmers in the United States, only 1,319,854 (or 23 per cent) reported grain and hay as their principal sources of income: and since less than one-fourth of the land under grain and hay was planted in wheat, barley, and flaxseed, it is evident that less than one-fourth of these 1,319,854 farmers (that is less than 6 per cent) had these three crops as their chief sources of income. These figures mean that in the United States as a whole, however it may be in certain sections, less than one farmer in ten has any material interest in wheat, barley, or flaxseed as a producer. On the other hand, all are interested as consumers—at least of wheat and flaxseed products. Assuming, therefore, that Canadian reciprocity would lower the prices of these products, it follows that the overwhelming majority of farmers in the United States would profit by the reduction. The proportion so benefited, moreover, must constantly increase with the decline of exclusive wheat culture and the advance of scientific agriculture.

Is it a fact, however, that reciprocity would lower the price of wheat to the producer? In this connection it must not be forgotten that wheat is more distinctly than any other cereal a world-commodity, whose price varies with every variation in the relation of demand and supply on the world market. The production and export of wheat since 1905 (as shown by the *Year Book of the Department of Agriculture* for 1909) have averaged as follows (the exports are exclusive of flour):

	World	United States	Canada
Crop (millions of bushels)	3,335	693	122
Exported (millions of bushels)	514	67	39
Percentage of crop exported	15	10	32
Percentage which exports form of world crop	...	2	1

It will be noted that the United States exports considerably more wheat than Canada, though a smaller part of the total crop. The exports from these two countries reach Liverpool about the same time of the year and, so far as they are of the same grade, must sell at the same price. Nevertheless, it is a fact that for some years prices at Minneapolis, and to a lesser extent also at Duluth, have ranged above prices at Winnipeg. This fact appears clearly in the following table which is condensed from Table II, Sen. Doc. 847, 61st Cong., 3d sess.

	1907		1908		1909		1910		1911
	Jan.	July	Jan.	July	Jan.	July	Jan.	July	Feb.
Winnipeg (No. 1 N)	.72½	.91⅝	1.08¾	1.04⅞	.99¾	1.30	1.04	1.17⅝	.92¼
Duluth (No. 1 N)	.78¾	.99⅜	1.08⅜	1.14	1.06½	1.30⅝	1.14¼	1.28⅛	1.03⅛
Minneapolis (No. 1 N)	.79⅝	.99	1.10¾	1.15¾	1.06⅞	1.31⅝	1.15½	1.25¼	1.02¾
Chicago (No. 1 N)	.80½	1.02½	....	....	1.08¾	1.30	1.16½	1.25	1.08½
Kansas City (No. 2 H)	.71	.86½	1.01½	.97	1.03½	1.23½	1.12¼	1.09	.94

The question is now squarely before us. Is this discrepancy in price due to the tariff on wheat or has it some other cause? One explanation has been advanced by Professor James D.

Boyle, who holds that the discrepancy is due to a statute of Manitoba, forbidding dealings in futures, which went into effect in 1908. This act had the effect of disrupting the grain trade of Western Canada, forcing grain buyers to carry their own risks and thus compelling them to insist on a considerably wider margin as an insurance against loss. This explanation is wholly in line with general economic doctrines and it is supported in a striking manner by a table of prices, compiled by Professor Boyle from commercial sources, which shows a marked widening of the gap between the markets after July, 1908. It is greatly to be desired that the Tariff Board, which compiled the statistics quoted above, should investigate those given by Professor Boyle in order to confirm or amend its own statistics and to establish or else refute Professor Boyle's very interesting hypothesis.

Another explanation is that any condition which creates a local demand in excess of the local supply tends to raise the local price at times above the world price. Such an excess of local demand is certainly found at great milling centers. This effect is most marked at Minneapolis, which has consequently exported little wheat of late years; and it is also somewhat in evidence at Duluth, which not only exports wheat but also ships large quantities to eastern milling centers such as Buffalo. Moreover, it can be shown statistically that such discrepancies occur as well within as between countries. According to the report of the Tariff Board (Sen. Doc. 849, Table VIII) the average farm price of spring wheat in Canada during 1910 varied from 0.67 in Alberta and 0.80 in Manitoba to 1.19 in Quebec. In like manner, according to the *Year Book of Agriculture* for 1909 (p. 447), the average farm price of winter wheat in the United States varied from 0.89 in Nebraska to 1.05 in Missouri and 1.46 in South Carolina. Again, it appears from the same report of the Tariff Board (p. 97) that from 1905–11 one-half the Minneapolis prices were less and one-half were more than 6 cents above the Winnipeg prices; while one-half were less and one-half were more than 7⅛ cents above the Kansas City prices. During the same period the greatest dis-

crepancy between Winnipeg and Minneapolis was 17¾ cents, while it was 18¾ cents between Minneapolis and Kansas City. In other words, both the absolute and the average discrepancy was greater between Minneapolis and Kansas City, where no tariff intervened, than it was between Minneapolis and Winnipeg. This discrepancy, moreover, is too great and too fluctuating to be explained as due to difference in grades. These facts certainly seem to show that whatever the explanation of such discrepancies may be, it is not the tariff; and that the removal of the tariff consequently could not obliterate them. In this connection it should be noted that the freight on wheat from Winnipeg to Minneapolis is 14 cents a bushel, while the average discrepancy in price from 1905–11 was only 6 cents. Even without any tariff, therefore, wheat could not flow southward except at the relatively infrequent periods when the discrepancy in price exceeds 14 cents.

Free trade in wheat between the United States and Canada, therefore, could at most check extreme speculative rises or corners in particular markets, by enlarging the basis of supply. Such speculative movements are in the nature of the case of very limited duration; consequently a check to such movements through the free admission of Canadian wheat could not do either of the striking and opposed things which some of the advocates and some of the opponents of reciprocity predict. It could not benefit the consumer, since a considerable and prolonged fall in the price of wheat is necessary to reduce the price of flour; nor could it damage the producer of wheat, since such local corners are of necessity engineered after the grain has largely left the farmers' hands, so that the amount available can be calculated with considerable accuracy. The chief effect of reciprocity in wheat, so far as concerns price, would therefore be to maintain greater stability and diminish the violence of local speculative fluctuations. Such stability would certainly be of advantage to all concerned, except possibly the wheat speculators.

Another benefit of reciprocity, and one which concerns directly the farmer, is free admission of Canadian wheat for seed, which would add appreciably to the yield throughout the

spring wheat belt of the United States. A further advantage to the farmer as well as the miller would be the encouragement given to the milling industry on both sides of the border by access, in case of need, to larger and more reliable supplies of wheat. During recent years there has been a striking growth of the milling industry in Europe, especially in the west of England, accompanied by an equally striking decline of flour exports from America. In 1903, for example, the United States exported 19.7 million barrels of flour; during the calendar year 1910 the figures were 8.3 million barrels, a decline of more than 50 per cent in 7 years. This change, by lessening the supply of mill feeds, is not less unfavorable to American agriculture than it is to the American and Canadian milling industry. A further development of milling in this country or Canada, on the other hand, would furnish more abundant and therefore cheaper mill feeds for stock and dairy farms. This effect would be especially important south of the boundary, since according to the report of the Tariff Board (p. 111) bran averages $2.50 and middlings $2.35 per ton cheaper at Winnipeg than at Minneapolis. Cheaper mill feeds are in fact one of the outstanding advantages of reciprocity for the American stock and dairy farmer.

Further, the alternative of reciprocity, in the viewpoint of the Canadian farmer, is the Chamberlain plan of English preference. In that event the American farmer might not improbably have to face a discriminating duty at Liverpool of 15 or 20 cents per bushel in favor of Canadian wheat. Whether such a system would in the long run benefit the Canadian farmer may well be doubted; but there is no doubt that it would spell disaster for the American farmer.

Finally, it is maintained, especially by some of those interested in the campaign for more intensive farming, that the wheat crop of the United States will soon be insufficient for domestic use. On the basis of this assumption some of the opponents of reciprocity, while admitting that the tariff on wheat has been a mere pretense hitherto, insist that it is now about to become a reality; in other words, that it will soon enable the wheat grower to collect tribute from all the rest of society, in-

cluding the nine-tenths of the farmers who grow little or no wheat. England and Germany, it is true, cannot grow wheat sufficient for their own use; but compared to them, the United States is in the early stages of agricultural development, with a relatively sparse population and great areas of untilled or poorly tilled land. As the demand for wheat increases with the growth of the wheat-eating population throughout the world, the price of wheat must rise—unless indeed the supply of wheat increases as rapidly as the demand, which is highly improbable. Every advance in price makes profitable the cultivation of poorer lands as well as the more intensive cultivation of better lands; consequently, the effect of a rising price is to expand both the area planted and the yield per acre. In these circumstances, no man can say what the potential wheat production of the United States may be, but it is beyond question immensely greater than the present crop. To oppose reciprocity on the ground that some day this country will be unable to grow sufficient wheat is therefore to reckon with a future which must be measured in generations if not in centuries. Certainly there is no evidence that the tariff on wheat has ever added a single cent to the income of any farmer in the United States, and there is just as little reason to believe that it can ever do so within the lifetime of any man now living.

The case of barley is very similar to that of wheat, though the price is more largely a local than a world-price. Barley has been exported by the United States in considerable quantities since 1895, the annual shipments in recent years amounting to about 6,500,000 bushels. The imports, on the other hand, have been insignificant. In 1910, for example, the exports to Canada were 164,532 bushels, and that in spite of a tariff of 15 cents a bushel; while the imports from Canada were only 2,420 bushels. These figures scarcely suggest that the United States is in danger of being inundated by Canadian barley. It is true, indeed, that prices at Winnipeg are from 7 to 17 cents lower than at Chicago; but it is also true that similar differences exist between parts of the United States. For example the *Year Book of the Department of Agriculture* for 1909 contains the following statistics:

	1896–1905	1908
Average farm value of barley in Minnesota	0.33	0.49
Average farm value of barley in Missouri	0.46	0.63

These differences between Minnesota and Missouri exist without any tariff, consequently there is no need of a tariff to explain or to perpetuate the difference between Winnipeg and Chicago. The explanation is simply that prices average higher in the vicinity of large malting centers because of the local demand, especially in the later winter and spring when the local supply is exhausted.

Flaxseed, unlike wheat and barley, is rapidly ceasing to be an export crop and is therefore approaching a time when its price may actually be affected by the tariff. In 1900, however, flaxseed occupied only 2/10 of 1 per cent of the land in farms, and the proportion is smaller now: yet flaxseed must be used by all farmers in the form of paint. Flaxseed meal is also one of the best foods for live stock, especially dairy cows; and it sells considerably cheaper in Canada than in the United States. Even in Iowa, Minnesota, and the Dakotas, which grow the bulk of the flaxseed, there were at the Twelfth Census 189,090 farmers interested chiefly in stock or dairy products, against 68,226 who grew any flaxseed. That is to say, approximately three times as many were directly interested in lower prices as were interested in higher prices for flaxseed. The proportion may be four to one now, owing to the rapid advance of stock and dairy farming during the last decade: while in the country at large more than 99 out of every 100 farmers would profit by cheaper flaxseed. In these circumstances, the retention of a tariff on flaxseed would be a positive detriment to the farmers as a class.

Moreover, flaxseed is essentially a frontier crop, being very hard on the soil, by reason (it is thought) of a bacterial infection. It is therefore better suited to the newer lands of Western Canada; and the extension of flax culture there, with the right of free export to the United States, would be in the line of bet-

ter adjustment to natural environment and therefore of real economic progress for both countries.

In connection with farm products other than wheat, barley, and flaxseed, the advantages of reciprocity to the American farmer are still more marked. This is true even from the viewpoint of the modern mercantilist who regards every export as a profit and every import as a loss, quite oblivious to the fact that the only reason why any nation should desire to export is that it may have the wherewithal to import articles which it can produce less advantageously. In Canada, for example, the Hon. George H. Bradbury, M.P., has declared that as a result of the agreement "the farmers would be the worst picked people in Canada. Particularly it would strike a blow at the market gardeners and fruit growers." Also the Hon. Clifford Sifton, M.P., a life-long Liberal who has left his party on the reciprocity issue, insists that the agreement "means ruin to the meat-packing, fruit-growing, and milling interests of the Dominion. The average prices of farm products are now better in Ontario and Quebec than in the United States." Contrasting these views with similar prophecies of destruction, which some seem to think is to follow reciprocity on this side of the border, one is led logically to the conclusion that the only thing necessary to raise both countries to the highest pinnacle of prosperity is a tariff wall so high as absolutely and forever to prevent all commerce between them: or else that both sets of prophecies are vitiated by some fundamental error. Such an error is the assumption that whatever one side gains in commerce, the other loses.

In the case of fruit and vegetables, there is indeed good reason to believe that the earlier and longer season in the United States would give fruit and truck farmers here an advantage at certain seasons: but this would be equaled by the benefit to the Canadian consumers, comprising not only all the city population, but also more than nine-tenths of the farmers who grow no fruit or vegetables for market. Moreover, it does not even follow that because producers on this side of the border would profit, therefore producers in Canada would lose. Assured of

a larger and therefore more reliable market, the producers in both countries could specialize more closely in the products for which soil and climate are most suitable. As a result, the procession of shipping districts which now begins in winter with Florida and Southern California, and moves northward as the season advances, would be continued into Canada, which could then furnish supplies for both countries after the close of the shipping season farther south. The net result would thus be more economical production and larger profits for the producers in both countries, and at the same time more abundant and cheaper supplies for the consumers. Such a result is the normal advantage of a natural, as opposed to a forced and artificial, economic development—the normal result of working with nature instead of against her.

Similar advantages may reasonably be attributed to reciprocity in animals and animal products, as may be inferred from the following figures published by the Tariff Board (Sen. Doc. 849).

	Horses	Dairy Cows	Other Cattle	Sheep	Swine
No. on farms U.S. (in millions)	21.0	21.8	47.2	57.2	47.7
Canada	2.1	2.8	4.3	2.7	2.9
Average value U.S.	108.19	35.79	19.41	4.08	9.14
Canada	133.00	43.00	31.00	6.00	11.00

As an agricultural country Canada consists of two very unlike sections—the eastern provinces, which carry on mixed farming and dairying, and the prairie section devoted chiefly to small grains: while between them stretches almost a thousand miles of rocky wilderness. From the east, dairy products, especially cheese, are largely exported to England. In Ontario there is also a small export of by-product pigs of the bacon type, and of fine cattle and sheep for breeding purposes. In neither section, however, is stock-raising of great importance owing to the relatively severe winters and the lack of corn for feeding purposes. In the three prairie provinces there are only 1.6 million cattle other than dairy cows; and in all Canada from Winnipeg west, only 380,000 sheep against 7.3 million in Wyo-

ming alone. The shortage of dairy cows in the prairie section is equally striking: while of horses there is a positive dearth, especially in view of the rapid extension of plow lands. As a result, during the calendar year 1910, despite a tariff of 25 per cent, the United States exported to Canada 25,604 horses valued at 3.2 millions of dollars. Taken together, these facts mean that Western Canada, being newly settled, is still in the stage of extensive and exclusive wheat culture, like many of the north central states a generation ago; and that under reciprocity a great export trade in animals and animal products would naturally arise between the northern states and Western Canada, to their mutual advantage. Such a trade, moreover, would react powerfully on agricultural conditions in the United States and hasten the transition from extensive grain farming, such as still prevails in parts of the Northwest, to a more intensive and scientific type of farming.

Finally, there remain a considerable number of articles, whose admission free, or at reduced rates, would benefit the farmer chiefly as a consumer. Such are fresh, cured, and canned meats, fish, vegetables, and fruits; also wagons, agricultural implements, motor cars, barbed wire, and rough lumber. The benefit of reciprocity would come not so much in the actual importation of such commodities from Canada, except fish and lumber, as in fixing a lower limit than exists at present to the exactions of the combinations which control most of these industries in the United States. Special importance attaches to free lumber. For the farmer it means better farm buildings and fences at less cost, and greater comfort in the home. It is indeed to be regretted, in the interests of the people of both countries, that the Canadian government did not see its way clear to include more manufactured products in the agreement: but is it the part of wisdom to refuse a half-loaf merely because it is not a whole loaf?

If the foregoing deductions are sound, it is clear that the American farmer could not be injured by Canadian reciprocity, but that, on the contrary, both the American and the Canadian farmer would profit largely from it as producers and also as consumers. Moreover, this conclusion is confirmed by expe-

rience, under the Reciprocity Treaty of 1854–66. It is a striking fact that when opposition to that treaty arose, its staunchest defenders were the farmers of the Northwest. Their opinions were voiced by Senator Hendricks of Indiana, Senator Howe of Wisconsin, and James W. Taylor of St. Paul, who had been appointed by the President to report on the working of the treaty, and who declared in his report that he had found no hint of opposition to the treaty anywhere west of Buffalo.

The fundamental fact underlying the argument for reciprocity is that the benefits of commerce are ever mutual. Neither side gains at the expense of the other: both gain in that their wants are better satisfied through the exchange of products than if each country endeavored to produce everything needed for its own consumption.

In spite of tariff barriers, a vast and constantly increasing commerce is even now carried on across the Canadian boundary, which argues that each country urgently needs many things which the other produces. Reciprocity, by removing or lowering these tariff barriers, would consequently tend to increase this mutually profitable commerce. Consider for a moment the location and characteristics of the two countries and it must be apparent that they are designed by nature for mutual dependence and benefit. They lie side by side across the continent, a distance of more than three thousand miles. No natural barrier separates them. Each side of the boundary is found the same race, the same language, the same customs, the same ideals of social and political justice, even the same scale of wages and the same standard of living. However it may be as between Europe and the United States, the investigations of the Tariff Board leave no room for the claim that protection is necessary to equalize difference in wages between the United States and Canada: for between eastern Canada and eastern United States, western Canada and western United States, no material difference exists (*Report,* 85–86). Each section of Canada, moreover, is by nature merely a portion of a geographic unit, of which the other part lies this side of the boundary. Thus the maritime provinces are physiographically a continuation of New

England, the St. Lawrence valley corresponds to the Hudson valley, the lands bordering the Great Lakes are alike on the North and the South, the prairies of Canada are indistinguishable from the Dakotas, and the Pacific slope in Canada reproduces the soil and climate of Washington. Except for the tariff walls which mark the boundary, commerce would flow back and forth along the lines of least resistance, each physiographic province as a whole producing those commodities for which its advantages are greatest and buying from the others those commodities which they in turn are best fitted to produce, precisely as occurs between the several sections of the United States.

Massachusetts and Pennsylvania, Minnesota and Iowa, Washington and Oregon have prospered without any tariff wall between them, or rather have prospered chiefly because of its absence: why not Canada and the United States? What magic power resides in a mere political boundary, when conditions of life are the same on both sides of it, to render necessary or beneficial an obstruction to commerce which no man will deny would be injurious between the several states of the union? The truth is that the same spirit and the same range of vision which demand a tariff wall between Canada and the United States would place a tariff wall between adjacent states, adjacent counties, adjacent townships, adjacent farms: for all these compete, yet at the same time and in a larger sense co-operate with one another, precisely as Canada and the United States compete and co-operate; and what is beneficial in the one case cannot prove injurious in the other.

The whole question thus seems to resolve itself to this, from the viewpoint of the farmer, no less than of society at large: shall we have the courage to follow established economic principles and extend to a neighboring and closely related country that commercial policy which has long been approved in our own domestic practice, or shall we suffer protection, like conscience, to make cowards of us all?

EDWARD VAN DYKE ROBINSON

UNIVERSITY OF MINNESOTA